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March 28, 2007

Via Facsimile and Regular Mail
Facsimile No. (212) 252-9310

Seth H. Borden, Esq.
Kreitzman, Mortensen, & Borden
114 East 32nd Street, Suite 1000
New York, New York 10016

**Re: Teamsters Local 445 Freight Division Pension
Fund and Teamsters Local 445 Education and
Training Fund v. Watson Services, Inc.
Our File No. 04-7501**

Dear Seth:

I am writing in response to your letter dated March 9, 2007 wherein you indicated your inability to attend the Teamsters Local 445 Freight Division Pension Fund and Teamsters Local 445 Education and Training Fund ("the Funds") Trustees meeting held on March 9, 2007, Watson Services, Inc.'s ("Watson") timely payments, and Watson's position that it spelled out its' argument against paying penalties for late payments of contributions to the Funds in sufficient detail for the Funds' Trustees to consider.

Regarding the Trustees meeting, unfortunately, you did not attend. At the meeting, the Trustees agreed with our determination that Watson must pay penalties assessed for late payment of contributions to the Funds. Pursuant to such, the Trustees authorized our firm to initiate an action in United States District Court to recover these monies. Unless payment of late fees are made by weeks end, we will initiate suit forthwith.

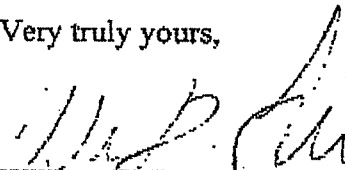
Seth H. Borden, Esq.

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March 28, 2007

Please contact me if you have any questions.

Very truly yours,



William D. Frumkin

WDF:WFC

cc: Douglas L. McCauley, Fund Chairman (via facsimile)
Sharon Molinelli, Fund Administrator (via facsimile)
David Kramer, Esq. (via hand delivery)

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